

A. Michael Covino (AC 4352)
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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

MERRILL LYNCH BUSINESS	:	
FINANCIAL SERVICES, INC.,	:	Civil Action No. 06-Civ-4802(DMC)
	:	
Plaintiff,	:	
	:	
vs.	:	PGB INTERNATIONAL, LLC'S ANSWER
	:	TO PLAINTIFF'S VERIFIED COMPLAINT,
ARTHUR KUPPERMAN, E. ROSS	:	AFFIRMATIVE DEFENSES AND
BROWNE, PAULETTE KRELMAN	:	JURY DEMAND
and PGB INTERNATIONAL, LLC,	:	
	:	
Defendants.	:	

Defendant, PGB International, LLC, ("PGB" or "Defendant"), by and through its undersigned counsel, answers the Verified Complaint ("Complaint") filed by plaintiff Merrill Lynch Business Financial Services, Inc. ("Plaintiff") in the above-entitled action as follows:

Jurisdiction and Venue

1. Defendant PGB neither admits nor denies the allegations set forth in paragraph 1 of the Complaint as they call for a legal conclusion.

2. Defendant PGB neither admits nor denies the allegations set forth in paragraph 2 of the Complaint as they call for a legal

conclusion.

The Parties

3. Defendant PGB denies knowledge or information sufficient to form a belief as to the allegations set forth in paragraph 3 of the Complaint.

4. Defendant PGB avers that Pittra is a debtor in bankruptcy, admits that Pittra is a New Jersey corporation and otherwise denies the allegations set forth in paragraph 4 of the Complaint.

5. Defendant PGB denies knowledge or information sufficient to firm a belief as to the allegations contained in paragraph 5 of the Complaint.

6. Defendant PGB admits that Mr. Kupperman is a New Jersey citizen and resides at 43 Hampshire Drive, Mendham, New Jersey and otherwise leaves Plaintiff to its proofs regarding the remaining allegations set forth in paragraph 6 of the Complaint.

7. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 7 of the Complaint.

8. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 8 of the Complaint.

9. Defendant PGB denies that its principal place of business is anywhere other than 6 South Street, Morristown, New Jersey and otherwise leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 9 of the Complaint.

9B. Defendant PGB denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph 9B of the Complaint.

10. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 10 of the Complaint.

MLBF'S Loans to PITTRA

11. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 11 of the Complaint.

12. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 12 of the Complaint.

13. Defendant PGB denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph 13 of the Complaint

14. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 14 of the Complaint.

15. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 15 of the Complaint.

16. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 16 of the Complaint.

17. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 17 of the Complaint.

18. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 18 of the Complaint.

19. Defendant PGB leaves Plaintiff to its proofs regarding

the allegations set forth in paragraph 19 of the Complaint.

20. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 20 of the Complaint.

21. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 21 of the Complaint.

22. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 22 of the Complaint.

23. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 23 of the Complaint.

24. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 24 of the Complaint.

25. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 25 of the Complaint.

26. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 26 of the Complaint.

27. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 27 of the Complaint.

28. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 28 of the Complaint.

29. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 29 of the Complaint.

30. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 30 of the Complaint.

31. Defendant PGB denies knowledge or information sufficient

to form a belief as to the allegations contained in paragraph 31 of the Complaint.

32. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 32 of the Complaint.

The Fraud

33. Defendant PGB denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph 33 of the Complaint.

34. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 34 of the Complaint.

35. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 35 of the Complaint.

36. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 36 of the Complaint.

37. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 37 of the Complaint.

38. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 38 of the Complaint.

39. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 39 of the Complaint.

40. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 40 of the Complaint.

41. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 41 of the Complaint.

42. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 42 of the Complaint.

43. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 43 of the Complaint.

44. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 44 of the Complaint.

45. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 45 of the Complaint.

46. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 46 of the Complaint.

47. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 47 of the Complaint.

48. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 48 of the Complaint.

FIRST COUNT

(Attachment Against Kupperman, Krelman and Browne)

49. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

50. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 50 of the Complaint.

51. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 51 of the Complaint.

52. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 52 of the Complaint.

53. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 53 of the Complaint.

SECOND COUNT

(Fraud Against All Defendants)

54. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

55. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 55 of the Complaint.

56. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 56 of the Complaint.

57. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 57 of the Complaint.

58. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 58 of the Complaint.

THIRD COUNT

(Restraint On Transfer of Assets Against All Defendants)

59. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

60. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 60 of the Complaint.

61. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 61 of the Complaint.

62. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 62 of the Complaint.

63. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 63 of the Complaint.

64. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 64 of the Complaint.

FOURTH COUNT

(Breach of Contract Against Defendants Kupperman, Krelman and Browne)

65. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

66. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 66 of the Complaint.

FIFTH COUNT

(Alter Ego Against PGB)

67. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

68. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 68 of the Complaint.

69. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 69 of the Complaint.

70. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 70 of the Complaint.

71. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 71 of the Complaint.

72. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 72 of the Complaint.

73. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 73 of the Complaint.

74. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 74 of the Complaint.

75. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 75 of the Complaint.

76. Defendant PGB neither admits nor denies the allegations set forth in paragraph 76 of the Complaint as they call for a legal conclusion.

SIXTH COUNT

(Attachment Against PGB)

77. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

78. Defendant PGB neither admits or denies the allegations set forth in paragraph 78 of the Complaint as they call for a legal conclusion.

SEVENTH COUNT

(Foreclosure of Security Interest Against PGB)

79. Defendant PGB repeats and restates its responses to the allegations set forth above as if fully set forth herein.

80. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 80 of the Complaint.

81. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 81 of the Complaint.

82. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 82 of the Complaint.

83. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 83 of the Complaint.

84. Defendant PGB leaves Plaintiff to its proofs regarding the allegations set forth in paragraph 84 of the Complaint.

WHEREFORE, Defendant PGB International, LLC demands judgment:

- A. Dismissing the Verified Complaint with prejudice;
- B. For the costs of suit, including attorneys' fees, incurred herein; and
- C. For such other and further relief as the Court deems just and proper.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

Plaintiff has failed to state a claim upon which relief may be granted.

SECOND AFFIRMATIVE DEFENSE

Plaintiff is barred from recovery by the doctrine of laches.

THIRD AFFIRMATIVE DEFENSE

This action is barred by the statute of limitations.

FOURTH AFFIRMATIVE DEFENSE

Plaintiff is barred from recovery by the doctrine of equitable estoppel.

FIFTH AFFIRMATIVE DEFENSE

Plaintiff is barred from recovery due to its failure to perform due diligence properly.


SIXTH AFFIRMATIVE DEFENSE

PGB incorporates herein any defenses raised by its co-defendants as may be applicable to PGB.

DEMAND FOR JURY TRIAL

Defendant PGB hereby demands a trial by jury.

BUDD LARNER, P.C.

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Dated: November 21, 2006

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CERTIFICATION

Pursuant to Local Rule 11.2, it is hereby stated that the matter in controversy is related to two adversary complaints filed in the United States Bankruptcy Court for the District of New Jersey titled Benjamin A. Stanziale, Chapter 7 Trustee v. Arthur Kupperman, et al., Adv. Pro No. 06-02702 (MS), Yantai North Andre Juice Co., Ltd., et al. v. Arthur Kupperman, et al. Adv. Pro. No. 06-02718 (MC) (originally filed in New Jersey District Court on February 18, 2005, Case No. 05-01409 (WJM) transferred to the Bankruptcy Court on September 22, 2006. Further, a related matter, Empresas Lourdes, S.A. v. Arthur Kupperman, et al., 06 Civ. 5014 (DMC), is pending in this Court. Subject to the foregoing, there are no other actions pending in any other court or a pending arbitration proceeding to the best of my knowledge and belief.

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By: 

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